

**President**  
Bruce Wheeler  
Dick Broadcasting  
Greensboro

**President-Elect**  
Jim Hefner  
WRAL-TV  
Raleigh

**Vice-President for Radio**  
James Carson  
WCCG-FM  
Fayetteville

**Vice-President for Television**  
Stu Powell  
WCNC-TV  
Charlotte

**Secretary-Treasurer**  
Gary Weiss  
Radio One  
Raleigh

**Past President**  
Lee Armstrong  
WSOC-TV  
Charlotte

**Directors**

Morgan Bohannon  
Clear Channel Communications  
Charlotte

Barry Brown  
NextMedia Radio Group  
Myrtle Beach, SC

Randy Cable  
WISE-AM/WOXL-AM/FM  
Asheville

Karl Davis  
WECL-TV  
Wilmington

Ardie Gregory  
WRAL/WCMC/NCNN  
Raleigh

Danny Highsmith  
Beasley Broadcast Group  
Fayetteville

Henry Hinton  
Hinton Media Group  
Greenville

Tom Howe  
UNC-TV  
RTP

Walker Morris  
WIOZ-AM/FM  
Southern Pines

Bernie Prazerica  
WTVD-TV  
Durham

Henry Price  
WXII-TV  
Winston-Salem

George Reed  
Media Services Group  
Jacksonville Beach, FL

Gary York  
WIFM-FM  
Elkiri

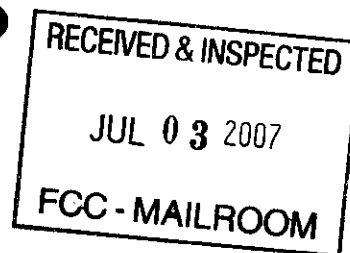
**Counsel**  
Wade Hargrove  
Mark J. Prok  
Brooks, Pierce, McLendon,  
Humphrey & Leonard  
Raleigh

**Executive Manager**  
Lisa Reynolds  
Raleigh



North Carolina Association of Broadcasters

June 25, 2007



MB Docket No. 07-57

The Honorable Kevin J. Martin  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Chairman Martin:

On behalf of some 250 member stations of the North Carolina Association of Broadcasters and the 83 individual North Carolina stations that are signatories to this letter, we write to express our opposition to the proposed merger of XM Satellite Radio and Sirius Satellite Radio. We respectfully urge the Commission to deny the merger.

North Carolina broadcasters have a proud tradition of public service to their communities and to their State. Year after year, they have provided programming directed to the needs of North Carolina's local communities. In 2005 alone, North Carolina broadcasters contributed more than \$250 million worth of public service airtime to the communities of this State. That, of course, does not take into account the individual contributions of the thousands of employees of North Carolina stations who volunteer their time to public service activities in their communities. Given this commitment to the people of this State, North Carolina broadcasters are deeply troubled by the proposed XM/Sirius merger.

We, as terrestrial broadcasters, compete vigorously against each other every day. Our advertising rates are tempered by competition. Competition enhances our incentive to be more responsive to our listeners and our communities. There is no question but that both listeners and advertisers benefit from the competition that exists in the terrestrial broadcast market.

None of that competition, of course, would exist in the satellite radio market if the nation's only two satellite radio companies are allowed to merge. Allowing XM and Sirius to merge would create a *monopoly* in satellite radio that would only encourage unfair, anti-competitive commercial practices and a diminution of service to the public. If the Commission approves this merger, it will only pave the way for the inevitable attempt at merger by the two major satellite television providers. We can think of no structural changes in the broadcast industry that would be more inimical to the public interest.

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When establishing satellite radio in 1997, the Commission licensed more than one provider *and* expressly prohibited a single provider from acquiring the other to protect consumers from the inevitable harmful consequences of a monopoly. The Commission said:

“[T]here should be more than one satellite DARS license awarded. Licensing at least two service providers will help ensure that subscription rates are competitive as well as provide for a diversity of programming voices. The two DARS licensees will compete against each other for satellite DARS customers and will face additional competitive pressure from the other aural delivery media mentioned above. Accordingly, eligible auction participants may acquire only one of the two licenses being auctioned.”

*In the Matter of Establishment of Rules and Policies for the Digital Audio Radio Satellite Service in the 2310-2360 MHz Frequency Band*, Memorandum Opinion and Order and Further Notice of Proposed Rulemaking, RM No. 8610, March 3, 1997, ¶ 78.

Nothing has changed since 1997 to warrant a reversal by the Commission of that decision.

We do not believe that approval of this merger, subject to a series of regulatory conditions, would be advisable or appropriate. Neither of these companies can be trusted to honor them, and the cost of policing and enforcing them is a cost that taxpayers should not be asked to bear.

The track record of these two companies does not inspire confidence. In only a few years of operation, both XM and Sirius have demonstrated an indifference to and flagrant disregard for compliance with the Commission's rules. Their collective record of callous non-compliance speaks for itself. Indeed, just last month, Sirius publicly acknowledged that its employees had asked manufacturers to produce radios that were inconsistent with FCC technical rules intended to prevent interference to over-the-air broadcast signals.<sup>1</sup> Plainly, on the basis of their historical operating record, XM and Sirius cannot be trusted to comply with regulatory conditions that might be imposed on a merger.

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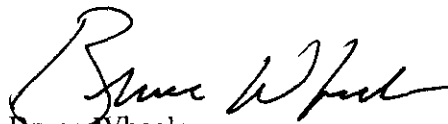
<sup>1</sup> Sirius Satellite Radio Inc., SEC Form 10-Q, May 10, 2007, at p. 19.

The Honorable Kevin J. Martin  
June 25, 2007  
Page 3

Accordingly, on behalf of the North Carolina Association of Broadcasters and the North Carolina broadcasters listed on the attachment, it is respectfully requested that the Commission deny the proposed merger of XM Satellite Radio and Sirius Satellite Radio.

Sincerely,

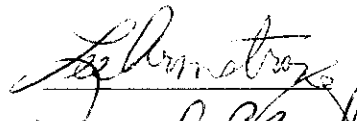
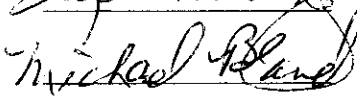
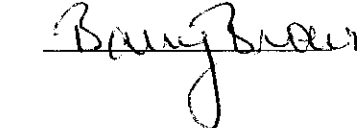
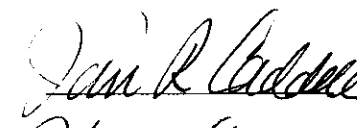
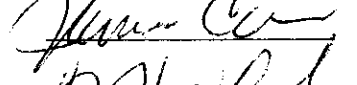
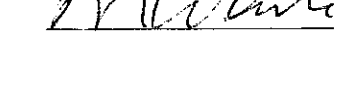
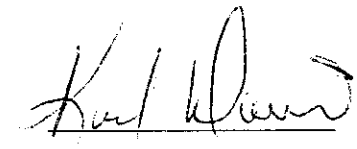
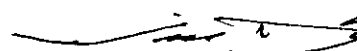
North Carolina Association of Broadcasters, Inc.

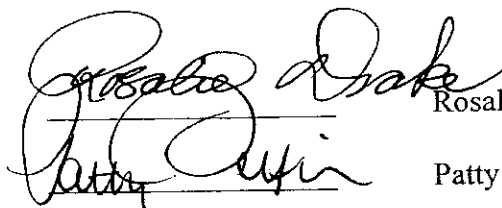
A handwritten signature in black ink, appearing to read "Bruce Wheeler", is written over the printed name.

Bruce Wheeler  
President

cc: Commissioner Copps  
Commissioner Adelstein  
Commissioner Tate  
Commissioner McDowell  
XM Satellite Radio  
Sirius Satellite Radio

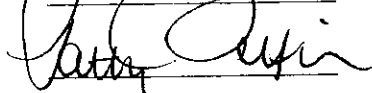
**Sample Listing Of North Carolina Broadcasters  
Who Oppose The XM/Sirius Merger**

<u>Signature</u>	<u>Name</u>	<u>Station Call Letters</u>	<u>N.C. City of License</u>
	Lee Armstrong	WSOC-TV	Charlotte
	Michael Bland	WJCV-AM	Jacksonville
	Barry Brown	WANG-AM WAZO-FM WDLX-AM WERO-FM WKXB-FM WMFD-AM WQSL-FM WQZL-FM WRNS-AM WRNS-FM WRQR-FM WSFM-FM WSSM-FM WXQR-FM	Havelock Southport Greenville Washington Burgaw Wilmington Jacksonville Belhaven Kinston Kinston Wilmington Oak Island Havelock Jacksonville
	Jan Caddell	WKSK-AM	West Jefferson
	James Carson	WCCG-FM	Hope Mills
	Don Curtis	WBBB-FM WFMC-AM WGBR-AM WKIX-AM WPCM-AM WPTF-AM WQDR-FM WWMY-FM WWNF-FM WYMY-FM WZTK-FM	Raleigh Goldsboro Goldsboro Kinston Burlington-Graham Raleigh Raleigh Raleigh Goldsboro Goldsboro Burlington
	Karl Davis	WECT-TV	Wilmington
	Will Davis	WJZY-TV	Belmont

  
Rosalie Drake

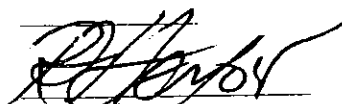
WCWG-TV

Lexington

  
Patty Guthrie

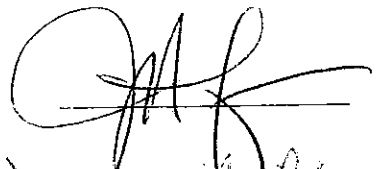
WHKY-AM  
WHKY-TV

Hickory  
Hickory

  
Dick Harlow

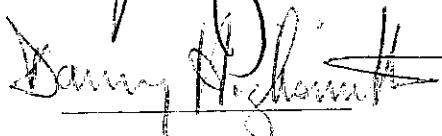
WDCG-FM  
WKSL-FM  
WRDU-FM  
WRVA-FM

Durham  
Burlington  
Wilson  
Rocky Mount

  
Jim Hefner

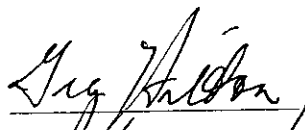
WCMC-FM  
WILM-TV  
WRAL-FM  
WRAL-TV

Creedmoor  
Wilmington  
Raleigh  
Raleigh

  
Danny Highsmith

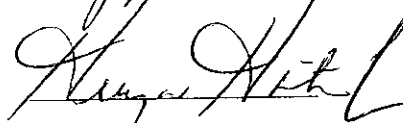
WAZZ-AM  
WFLB-FM  
WKML-FM  
WTEL-AM  
WUKS-FM  
WZFX-FM

Fayetteville  
Laurinburg  
Lumberton  
Red Springs  
St. Pauls  
Whiteville

  
Gig Hilton


WLXN-AM  
WTHZ-FM

Lexington  
Lexington

  
Henry Hinton

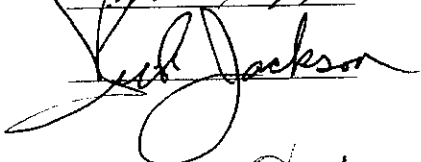
WRHD-FM  
WRHT-FM  
WWHA-FM  
WWNK-FM

Williamston  
Morehead City  
Oriental  
Farmville

  
Tom Howe

WUNC-TV

Chapel Hill

  
Rick Jackson

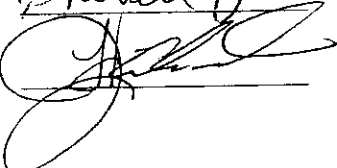
WBT-AM  
WBT-FM  
WLNK-FM

Charlotte  
Chester, SC (Charlotte)  
Charlotte

  
Sherrell Jackson

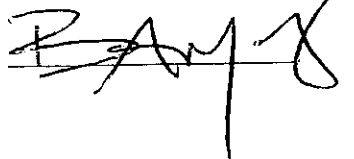
WJSG-FM

Hamlet

  
Jim Kirkland

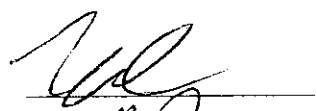
WFGW-AM  
WMIT-FM

Black Mountain  
Black Mountain

  
Brian Maloney

WDNC-AM  
WRBZ-AM

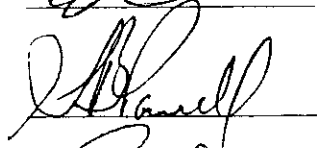
Durham  
Raleigh



Thomas Postema

WSFX-TV

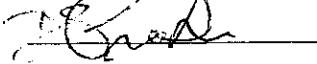
Wilmington



Stuart Powell

WCNC-TV

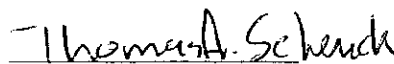
Charlotte



Deborah Proctor

WCPE-FM

Raleigh



Tommy Schenck

WRAZ-TV

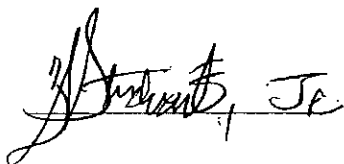
Raleigh



Bill Schoening

WFNA-AM  
WFNZ-AM  
WKQC-FM  
WNKS-FM  
WSOC-FM

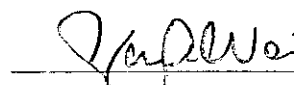
Charlotte  
Charlotte  
Charlotte  
Charlotte  
Charlotte



Walter Sturdivant

WCHL-AM

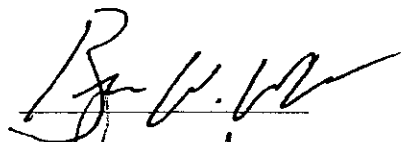
Chapel Hill



Gary Weiss

WFXC-FM  
WFXK-FM  
WNNL-FM  
WPZS-FM  
WQNC-FM  
WQOK-FM

Durham  
Tarboro  
Fuquay-Varina  
Albemarle  
Harrisburg  
S. Boston, VA (Raleigh)



Bruce Wheeler

WKRR-FM  
WKZL-FM

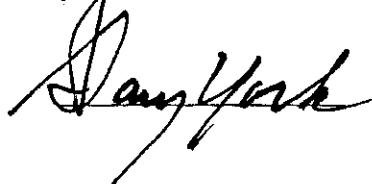
Asheboro  
Winston-Salem



Jim White

WCCB-TV

Charlotte



Gary York

WIFM-FM

Elkin